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August 28, 2015

Mary Nichols, Chairperson California Air Resources Board 1001 I Street Sacramento, CA 95814

Support for Programs Benefiting Rural Communities and Small Businesses in the Second

Investment Plan

Dear Chairperson Nichols:

The Governing Board of the Butte County Air Quality Management District (Board) is writing in support of the programs benefiting rural communities and small businesses included in the Concept Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan released July 27, 2015. Programs with an emphasis on reducing methane from wastes from natural and working lands including the agricultural sector bring opportunities to grow renewable energy and jobs in rural communities. Programs to reduce woodsmoke from residential heating and to divert biomass to bioenergy facilities can also lead to healthier forests and improve air quality. The Board also supports any efforts to allocate funding to site new bioenergy facilities in rural areas, reducing costs and emissions associated with the transportation of biomass to the facilities.

Focusing now on residential woodsmoke, our district is located within a rural area of the state, in which many of the residents use woodstoves as their primary source of heating with a high percentage being older uncertified devices. With voluntary programs, reducing the number of these inefficient stoves by replacing them with either the most efficient, lowest polluting woodstoves, or with natural gas or electric heating devices, will have major benefits in terms of decreased climate pollutants, lower levels of toxic air pollutants, and an overall increase in public health.

Incomplete combustion of wood occurs when using low-efficiency wood stoves, the type most common in our district. Based on recent census data, nearly 10,000 residences in Butte County rely on wood as a primary heat source, out of nearly 85,000 total residences. Many more use wood heat to supplement either electric or gas. Many of these wood burning devices do not meet current EPA certification levels. When wood is burned in these stoves, many pollutants are emitted, including greenhouse gases such as carbon dioxide, methane, and nitrous oxide. A woodstove change-out program would result in significant and measureable reductions in these pollutants, as much as a 1 ton reduction in CO2e per cord of wood for every uncertified stove converted to a certified stove with catalyst.

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A woodstove change-out program would also have measureable co-benefits. Wood smoke contains black carbon, a short-lived climate pollutant specifically mentioned in Governor Brown's January 2015 Inaugural Address. Estimates previously made by ARB indicate that fireplaces are the fourth largest contributor to black carbon emissions, making it essential that we decrease black carbon emissions from these sources in order to meet the Governor's targets.

Another co-benefit of replacing older woodstoves with more efficient heating devices would be the potential improvement to public health in communities affected by woodsmoke. Wood heating is a source of PM 2.5, and decreasing PM 2.5 from older woodstoves will improve indoor air quality as well as outdoor air quality, where the particulate matter can become trapped in the air due to the natural topography and stagnant weather conditions.

Many air districts around the state have already implemented woodstove change-out incentive programs when local funding is available, and have been highly successful in targeting lower income areas with high uses of wood heat and/or areas where woodsmoke causes significant public health impacts. Most recently our District completed the second year of a three year program funding woodstove replacements. We have offered vouchers ranging from \$1,000 to a \$3,000 low income voucher, and have replaced 322 older, polluting stoves. With the incentives that could be provided through a woodstove change-out program, residents in rural, often low-income communities could be incentivized to replace their older stoves with a more efficient heating option, and in turn decrease climate and toxic pollutants, improve overall public health, and save money on monthly energy bills.

We recognize that once these programs are approved a priority is placed on funding projects in disadvantaged communities, as determined by the CalEnviroScreen tool. We are concerned that many of our communities do not qualify as disadvantaged using the CalEnviroScreen algorithm, even though they are truly disadvantaged based on other criteria. This is the case in many rural areas. We trust that this disparity will be taken into account as the programs are implemented.

We appreciate the Air Resources Board's work on the Concept Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan, and especially commend the inclusion of a woodstove change-out provision. Our district looks forward to working with you to further develop statewide programs benefiting rural communities, including wood stove replacements, to help California meet its climate and public health goals.

Sincerely,

Andrew Coolidge, Chair

Butte County Air Quality Management District Governing Board

cc: Senator Jim Nielsen

Assembly Member James Gallagher